Western Economic Diversification Canada

2009-2010

Departmental Performance Report

Western Economic Diversification Canada
Diversification de l'économie de l'Ouest Canada
Canada

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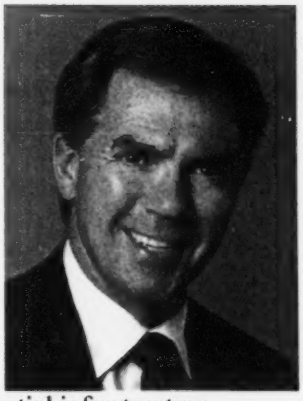
Minister's Message



As Minister responsible for Western Economic Diversification Canada (WD), I am pleased to present the Departmental Performance Report for the year ending March 31, 2010.

WD works to support the long-term development and diversification of the western economy, playing a vital role in helping build a stronger West and a stronger Canada. The department achieves its mandate by collaborating with other orders of government and stakeholders to identify projects that support the department's strategic outcomes and priorities.

By investing in projects and activities that encourage innovation and entrepreneurship, strengthen community economic development, and ensure western Canadians have access to the essential infrastructure they need, WD is helping the Government of Canada deliver on its priorities.

Over the past year, as Canada and the world have faced an economic downturn, WD has also been instrumental in helping deliver Canada's Economic Action Plan (EAP) in Western Canada. Specifically, WD has been responsible for delivering the Community Adjustment Fund and Recreational Infrastructure Canada program in the West. These programs delivered targeted and timely economic stimulus that helps create and maintain jobs, improve the health and quality of life of our communities, and build the foundation for Canada's future growth and prosperity.

As the world begins to see modest steps towards economic growth and recovery, WD will work diligently to deliver the second year of EAP in Western Canada and continue its work to diversify the western economy and build a stronger West for a stronger Canada.

The Honourable Jim Prentice, P.C., Q.C., M.P

Minister of State's Message

As Minister of State for Western Economic Diversification Canada (WD), I am pleased to present the Departmental Performance Report for the year ending March 31, 2010.

WD's mandate is to promote the development and diversification of the economy of Western Canada and to advance the interests of the West in national economic policy, program and project implementation. In order to meet these goals, the department focused its work on three, interconnected strategic outcomes:

- economically viable communities in Western Canada with a high quality of life;
- a competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system; and
- policies and programs that support the development of Western Canada.

Western innovators and entrepreneurs are a vital source of economic growth in the West, accounting for nearly half of all existing jobs in the region. In 2009-2010, WD approved funding of $43.7M for 33 projects that support innovation. These projects will help strengthen our knowledge-based economy by improving infrastructure at our universities and research centres, developing technology skills, and supporting research and development. WD also approved funding of $61.8M for 141 projects that help stimulate international trade and investment, enhance business productivity and competitiveness, foster industry collaboration, and improve access to services for western entrepreneurs. WD is also committed to advocating on behalf of Western Canada, including the development and application of the federal procurement and Industrial and Regional Benefits (IRB) policy. WD is also a business facilitator, partnering with, and promoting western Canadian firms and organizations to Prime Contractors that have IRB obligations.

In addition, WD played a major role in Canada's Economic Action Plan (EAP) consistent with its reputation for delivering timely and effective programming on behalf of the federal government. WD was responsible for the delivery of the Recreational Infrastructure Canada (RInC) program, the Community Adjustment Fund (CAF), and assisted Infrastructure Canada in delivering the Building Canada Fund top-up funding that was announced in Budget 2009. As of March 31, 2010, nearly 100 per cent of the total combined EAP federal funding allocation for CAF and RInC of approximately $440M had been committed towards 1,004 projects across the West. These projects are helping western Canadian communities and industries most affected by the downturn get back on their feet.

As we navigate the second and final year of EAP, WD will continue its work delivering CAF and RInC for western communities. However, WD's work won't stop there – we will continue to focus on growing a competitive western economy that responds to the needs of industry, both locally and abroad, to ensure that Western Canada is stronger than ever.

The Honourable Lynne Yelich, P.C., M.P

SECTION I – DEPARTMENTAL OVERVIEW

Raison d'être and Responsibilities

Western Economic Diversification Canada's (WD) mandate is to promote the development and diversification of the economy of Western Canada (Manitoba, Saskatchewan, Alberta and British Columbia (BC)) and to advance the interests of Western Canada in national economic policy, program and project development and implementation.

As the federal economic development department for Western Canada, WD is responsible for developing and supporting economic policies, programs and activities that assist Western Canada in responding to the economic challenges and opportunities it faces and promoting economic growth, development and diversification. The department's three strategic outcomes – Entrepreneurship and Innovation, Community Economic Development, and Policy, Advocacy and Coordination – establish the framework of objectives, priorities, activities, and results pursued by the department to implement its mandate.

The western Canadian economy is an important part of the Canadian economy as a whole. The four western provinces have a combined Gross Domestic Product (GDP) equal to or slightly larger than that of Ontario. About one third of Canadians live in the West. Economic activity and trade flows in the West are closely linked to the United States (US) – which accounts for over 60 per cent of exports of western provincial output – and increasingly to the large and growing economies of the Asia-Pacific region. Western Canadian issues, economic performance, and economic development opportunities are an essential part of national economic and industrial policy and strategy.

Economic growth and prosperity in Western Canada have been largely resource-driven, benefitting from prolonged periods of high demand and high commodity prices. While the West's natural resources are expected to provide a strong foundation for future economic growth, the resource-driven growth has masked a number of fundamental challenges facing Western Canada's long-term economic prospects. The strong economic performance of many fast-growing economies such as China, Korea, India, and Brazil, which combine low-cost production with new technology and business innovations, are eroding the competitive position of many western Canadian firms. Low levels of new business investment in Western Canada in research and development (R&D), new technologies and equipment outside of the major resource sectors compared to many of our closest competitors have also resulted in declining productivity and competitiveness in both domestic and international markets.

To respond to these challenges WD will build on the West's existing advantages and strengths and help create new strengths by supporting the development of new and emerging sectors of our economy.

Western Canada's natural resources have supported the creation of industry clusters in sectors such as mining, forestry, oil and gas, and agricultural production, which anchor economic growth in the West and have a strong presence in the global marketplace. In order to maintain the competitive position of western Canadian businesses and increase the value they create in Western Canada, WD invests in projects that help businesses increase their productivity and competitiveness through the development, adoption and commercialization of new technologies and business processes. The department also seeks to help businesses increase the economic output of these sectors through higher value-added production, and gain access to highly competitive global markets through greater awareness and exposure to supply chain management and lean manufacturing processes.

WD also supports the creation of new economic strengths across the West. Since WD was created in 1987, Western Canada has become home to major research centres and industries that either did not exist or were very different in scale and nature. For example, the large and leading-edge Information and Communications Technologies (ICT) sector in Western Canada has experienced rapid growth over the past 20 years and is stimulating the creation of new technologies and industry clusters in areas such as new media and digital communications. The West has witnessed the advent or increased sophistication of many other leading edge technologies with commercial and business applications such as carbon capture and environmental management technology, composite materials for aerospace and transportation sectors, biotechnology and medical devices, and light source technology. These innovations provide the foundation for future economic growth and diversification, and help ensure that the West's world-class scientific and R&D capacity lead to world-class business opportunities for Western Canada. In some cases these opportunities arise from the creation and commercialization of new technologies and processes. In others, the opportunities are the result of identifying new markets for western Canadian businesses.

WD partners with other organizations in pursuit of its strategic outcomes. WD's partners include: other orders of government, academic and research institutes, industry associations, not-for-profit organizations, as well as members of the Western Canada Business Service Network (WCBSN). The Western Economic Partnership Agreements (WEPA) enable WD and the western provinces to collaborate to identify regional diversification opportunities and make strategic investments that help strengthen the long-term viability of local and regional economies.

The 2009-2010 Departmental Performance Report (DPR) provides an overview of WD's performance and results over the year, based upon the plans and priorities identified in WD's 2009-2010 Report on Plans and Priorities (RPP) tabled in Parliament on March 26, 2009. It also highlights a number of activities undertaken by the department, and projects supported by WD's grants and contributions (G&C) program budget, to demonstrate how the department's activities have benefited western Canadians.

As reflected in its DPR, WD's investments helped ensure that western entrepreneurs have the tools they need to remain competitive in a global economy, that western innovators and researchers have the facilities and expertise to bring new innovations to market, and

that western communities have a diversified economic base. Policy development activities identified key trends and ensured that programs and investments meet the department's mandate, fit within the overall federal agenda, and reflect the priorities of western communities.

Consistent with its role as a delivery agent for federal priorities, WD also played a key role in 2009-2010 in responding to the impacts of the global economic downturn by helping stimulate economic growth and creating or maintaining jobs. By supporting opportunities for economic growth, investing in infrastructure and delivering short-term stimulus under Canada's Economic Action Plan (EAP), the department has ensured the long-term economic vitality of western communities.

Strategic Outcomes and Program Activity Architecture

The Program Activity Architecture (PAA) below represents WD's inventory of program activities and program sub-activities for 2009-2010, and the strategic outcomes towards which they contributed. The PAA is supported by a performance measurement framework that enables WD to track program-related performance in order to inform design, delivery, and resource allocation decisions and to better achieve results.

Strategic Outcomes	Program Activities	Program Sub-Activities
Entrepreneurship and Innovation	**Business Development and Entrepreneurship**	Improve Business Productivity
		Market and Trade Development
		Industry Collaboration
		Foreign Direct Investment
		Access to Capital
	Innovation	Technology Adoption and Commercialization
		Technology Linkages
		Technology Research and Development
		Community Innovation
		Technology Skills Development
		Knowledge Infrastructure
Community Economic Development	**Community Economic Planning, Development, and Adjustment**	Community Planning
		Community Development
		Community Economic Adjustment
	Infrastructure	Green Municipal Infrastructure

Strategic Outcomes	Program Activities	Program Sub-Activities
		Local Transportation Infrastructure
		Cultural, Recreational, Tourism, Telecommunications, and Affordable Housing Infrastructure
Policy, Advocacy and Coordination	**Collaboration and Coordination**	
	Advocacy	
	Research and Analysis	
	Internal Services (supports all strategic outcomes)	Governance and Management Support
		Resource Management Services
		Asset Management Services

Summary of Performance

WD measures its annual contribution towards the achievement of its three strategic outcomes. Despite the impacts of the economic downturn, WD successfully met or exceeded the majority of its performance targets in 2009-2010. The extraordinary events of 2009-2010 produced important lessons learned for consideration in the development of the department's 2010-2011 RPP.

In a year of significant economic challenges for the West, WD successfully mobilized new resources and adapted its existing programs to respond to the economic needs of western Canadians. At the heart of WD's response was the rapid delivery of the EAP, which provided new employment opportunities and economic stimulus to counter the impacts of the economic downturn.

While delivering on the federal government's EAP was a top priority in 2009-2010, the department continued to deliver its ongoing programs in support of the diversification and development of the western Canadian economy. These included:

- Capitalizing on the long-range economic opportunities presented by the 2010 Winter Olympic and Paralympic Games in Vancouver, BC, through the support of initiatives such as the 2010 Partnership Investment Program and Place de la Francophonie;
- Supporting projects like Saskatchewan Indian Institute of Technologies' Aircraft Maintenance Engineering training facility that attracted new investment and growth technologies to the West; and
- Increasing our activities to help Canadian firms access new procurement opportunities.

WD's performance during 2009-2010 is summarized in the following tables:

- Total financial and human resources; and
- Performance by strategic outcome.

Departmental performance against its targets is explained in greater detail, both by strategic outcome and at the program activity level, in Section II of this report. The online version of the DPR includes hyperlinks to WD's web site, where more details of the results of WD-funded projects are provided.

2009–10 Financial Resources ($ thousands) **2009–10 Human Resources** (FTEs)

Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
$242,521	$477,110	$421,303	401	468	-67

WD's total authorities were nearly double its planned spending as a result of new funding received through Supplementary Estimates and the *Budget Implementation Act* mainly to deliver two EAP programs, $139.2M for the Community Adjustment Fund (CAF, excluding $13.5M transferred to 2010-11) and $64.2M for the Recreational Infrastructure Canada (RInC) program.[1] Actual spending was lower than total authorities, primarily due to the transfer of contractual commitments to future years including: RInC, Mountain Pine Beetle (MPB) Initiatives, Alberta and Saskatchewan Centenaries (ASC) Initiative and International Vaccine Centre's (InterVac) Biosafety Level III Containment Facility in Saskatoon[2]

The actual number of full-time equivalent (FTE) positions was greater than planned due to increases in staff required to deliver EAP initiatives.

Performance Summary Tables

Macro-level economic indicators, as noted in the table below, are monitored by the department to provide an economic context for planning and priority setting. The targets for 2009-2010 outlined below were based on performance trends and recent economic forecasts.

Strategic Outcome 1: The western Canadian economy is competitive, expanded and diversified. (Entrepreneurship and Innovation)		
Performance Indicators	**Targets**	**2009–10 Performance**
Real GDP growth	3.2% (Stable growth rate)	-3.7% (2009 – Decrease: based upon preliminary provincial data)
Annual International Trade: value of exports excluding primary production sectors	$42.922B (Increase)	$34.965B (2009 - Decrease)
R&D intensity: Gross Domestic Expenditures on R&D (GERD) as % of GDP	1.3% (Stable)	1.2% (2007 – Stable; most recent data available)

[1] Other new funding included $12.4M carried forward for MPB Initiatives, $3.9M for Canada Business Network, $3.8M excess collections, $2.4M operating carry forward, $2.1M Building Canada Fund operating funding, $1.8M carried forward for WEPA, $1.8M contracted salary increase, $0.7M carry forward for the Infrastructure Canada Program, and $2.3M for various other items.

[2] Authority to transfer $25.2M related to Alberta and Saskatchewan Centenaries to future years was sought through the 2010-2011 Annual Reference Level Update process.

($ thousands) Program Activity	2008–09 Actual Spending	2009–10 Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcome
Business Development and Entrepreneurship	62,275	48,587	48,849	52,420	46,941	Strong Economic Growth
Innovation	77,466	77,001	77,264	80,598	86,869	An Innovative and Knowledge-based Economy
Total	**139,741**	**125,588**	**126,113**	**133,018**	**133,810**	

Strategic Outcome 2: Communities in Western Canada are economically viable. (Community Economic Development)		
Performance Indicators	**Targets**	**2009–10 Performance**
Disposable income per capita	$31,082 (Increase)	$31,178 (2008 – Increase; most recent data available)
Labour productivity growth – real GDP per hour worked	1.2% (Stable growth rate)	2.2% (2009 - Increase in rate of growth; based upon preliminary GDP data)

($ thousands) Program Activity	2008–09 Actual Spending	2009–10 Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcome
Community Economic Planning, Developmen and Adjustment	71,234	81,093	81,280	94,161	58,540	Strong Economic Growth
Infrastructure	19,254	7,566	7,566	10,719	8,178	Strong Economic Growth
Total	**90,488**	**88,659**	**88,846**	**104,880**	**66,718**	

Growth in Western Canada's labour productivity over 2009 was due to a greater proportional decrease in hours worked, compared to the contraction in the economy.

Community Economic Planning, Development and Adjustment – The difference between total authorities and actual spending is primarily due to the transfer of the contractual commitment for the ASC Initiative (Royal Alberta Museum) of $25.2M to future years and expenditures incurred against other program activities, such as Internal Services.

Infrastructure - Planned and actual spending does not include G&C resources administered by WD on behalf of Infrastructure Canada (Municipal Rural Infrastructure Fund (MRIF) and Canada Strategic Infrastructure Fund (CSIF)) through Other Government Department (OGD) suspense account, as this amount (approximately $133.4M in actual spending) is reported by Infrastructure Canada.

Strategic Outcome 3: Policies and Programs that strengthen the western Canadian economy. (Policy, Advocacy and Coordination)		
Performance Indicators	**Targets**	**2009–10 Performance**
Percentage of key informants with the opinion that WD activities provide policies and programs that support the economic development of Western Canada.	55%	94% (with respect to policies) 93% (with respect to programs) (2008-2009)
$'s of project funding ($'s WD project funding plus $'s leveraged)	$350.04M	$1.56B (Based upon total project costs of all approved projects in 2009-2010)
% of projects completed this fiscal year that successfully met or exceeded performance targets	85%	91%

($ thousands) Program Activity	2008–09 Actual Spending	2009–10				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Collaboration and Coordination	4,945	2,888	2,888	3,292	3,467	Strong Economic Growth
Advocacy	3,602	3,246	3,246	3,796	3,344	Strong Economic Growth
Research and Analysis	3,397	2,629	2,666	2,851	1,835	Strong Economic Growth
Total	**11,944**	**8,763**	**8,800**	**9,939**	**8,646**	

Canada's Economic Action Plan						
($ thousands) Program Activity	2008–09 Actual Spending	2009–10				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
EAP	-	-	-	207,400	186,314	Strong Economic Growth
Total	-	-	-	**207,400**	**186,314**	

Funding for the EAP initiatives was announced in Budget 2009, and received through Supplementary Estimates and the *Budget Implementation Act*.

Internal Services						
($ thousands) Program Activity	2008–09 Actual Spending	2009–10				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Internal Services	-	18,762	18,762	21,873	25,815	
Total	-	**18,762**	**18,762**	**21,873**	**25,815**	

Commencing in the 2009-2010 Estimates cycle, the resources for this program activity are displayed separately, rather than being distributed among the remaining program activities, as was the case in the previous Main Estimates. This has impacted the comparability of financial and human resources information by program activity between fiscal years.

Contribution of Priorities to Strategic Outcomes

In the 2009-2010 RPP, WD identified four operational priorities and three management priorities. The operational priorities are areas of the department's programs and services identified as top priorities for action, while management priorities focus on enhancements to internal management, consistent with the objectives of the Management Accountability Framework (MAF) established by the Treasury Board of Canada.

Operational Priorities

Operational Priorities	Type[3]	Status[4]	Linkages to Strategic Outcomes and Program Activities (PA)
Technology Commercialization	Ongoing	Met all	• Entrepreneurship & Innovation (PA - Innovation) • Policy, Advocacy and Coordination Contribution of priority to strategic outcome: Investments in 2009-2010 will help to strengthen the western Canadian innovation system.
• Invested $25.6M in 17 technology commercialization and adoption projects which are expected to result in 74 technology demonstrations, 43 technologies adopted, nine licences executed, 180 technologies to market, nine spin-off companies formed, 23 patents filed/issued, $16.5M venture capital invested, and 60 prototypes developed; • Developed four sector profiles to assist in a review of WD's approach to technology commercialization.			
Trade and Investment	Ongoing	Met all	• Entrepreneurship & Innovation (PA - Business Development and Entrepreneurship) • Policy, Advocacy and Coordination Contribution of priority to strategic outcome: Investments in 2009-2010 will support a competitive and expanded business sector in Western Canada.

[3] Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to 2009-2010; **ongoing**—committed to at least three fiscal years prior to 2009-2010; and **new**—newly committed to in 2009-2010.

[4] Performance status is a five-point scale ranging from Exceeded to Not met. The assessment of status identified for each priority is based on guidelines provided by the Treasury Board of Canada, taking into consideration two factors: anticipated impact of projects approved, and performance against planning highlights identified in RPP 2009-2010. (Only the second factor was considered in rating management priorities.)

• Provided funding of $416 thousand towards 33 international business development projects through the North American Platform Program (NAPP) to strengthen trade and investment linkages with US and Mexico partnership; • Invested $12.0M in 19 market and trade development projects which are expected to result in 23 activities that promote participation in major international events, 80 industry associations/ partnerships, 1,096 companies participating in export and market development initiatives, and 135 export-ready companies; • Invested $1.59M in two projects which are expected to result in $7.7M in direct foreign investment; • Supported western firms to engage in Canada's Industrial Regional Benefits (IRBs) as well as to access international procurement opportunities by organizing two pan-western supplier development missions and by working with the Western Aerospace Alliance to promote western Canadian capability at the International Paris Air Show; • Worked with partners to pursue value-added economic opportunities associated with the Asia-Pacific Gateway & Corridor and the Mid-Continent Trade Corridor, through the continued support of organizations such as the Asia Pacific Foundation of Canada and CentrePort Canada Inc. ($1.6M investment); • Supported western Canadian businesses to create new trade development and investment opportunities related to the Vancouver/Whistler 2010 Winter Olympic and Paralympic Games through the 2010 Partnership Investment Program.			
Business Productivity and Competitiveness	Previously committed to	Mostly met	• Entrepreneurship & Innovation (PA - Business Development and Entrepreneurship) • Policy, Advocacy and Coordination Contribution of priority to strategic outcome: Investments in 2009-2010 will support a competitive and expanded business sector in Western Canada.
• Continued to facilitate/enable access to risk capital and business services by small- and medium-sized enterprises (SMEs) through the WCBSN, whose members increased lending by $7.6M. In response to this increase in demand, WD provided an additional $3.5M to Community Futures (CF) investment pools. An evaluation of the Loan and Investment (LI) Program estimated that for every dollar in cost to WD, the program generated $28 in direct and indirect financing; • Invested $7.5M in nine projects to improve business productivity, which are expected to result in an increase in sales of $5.6M, 1119 jobs created or maintained, 658 businesses created/ maintained/ expanded, and 81.6% client satisfaction.			
Rural Diversification	Previously committed to	Mostly met	• Entrepreneurship and Innovation (PA - Business Development and Entrepreneurship) • Community Economic Development (PA - Community Economic Planning, Development, and Adjustment) Contribution of priority to strategic outcome: Investments in 2009-10 will support the development and diversification of the rural economy across the West, which contributes to all of WD's strategic outcomes.
• Supported CF and other rural-based economic development organizations to focus their efforts to diversify rural communities through projects designed partially to enhance productivity such as the Rural Economic Diversification Initiatives and MLTC Resource Development, which tested new technologies, processes and equipment to promote greater efficiency; and • Collaborated with other federal departments and agencies in renewal of CF Program in support of rural diversification.			

Management Priorities

Management Priorities	Type	Status	Linkages to Strategic Outcome(s)
Public Service Renewal	Previously committed to	Met all	Public service renewal supports all strategic outcomes.
• Integrated human resources (HR) planning into WD business planning process; • Advanced employee engagement, career development, talent management, and succession planning; • Strategic recruitment and renewal initiatives resulted in 10 new indeterminate professional appointments, including nine employment equity recruits (target was eight) and 11 new professional appointments through the student bridging mechanism (compared to eight in 2008-2009); and • Delivered CAF/RInC HR strategy that included creating 71 new positions, 84 staff appointments, 46 developmental opportunities, 1,418 hours of training, and 11 term offers to post-secondary graduates, seven of whom are employment equity members.			
Performance Measurement	Previously committed to	Mostly met	Performance measurement supports all strategic outcomes. Area for improvement: Now that processes are in place to track progress against targets, WD needs to do more work to ensure that performance data better informs decision-making.
• MAF VII Area of Management 2 (Utility of the Corporate Performance Framework) – Strong rating; • MAF VII Area of Management 7 (Quality of Performance Reporting) – Acceptable rating; • Performance Measurement Framework (PMF) developed for 2010-2011, includes clearer performance indicators and targets at each level of the PAA; • Enhanced Project Gateway, the departmental project management system, to better track performance, including completion of the Bring Forward Tool to identify priority action items; • Developed suite of performance measurement reports to improve the consistency of performance data available through Project Gateway; • Prepared nine case studies to supplement departmental performance data and to better capture and report on the long-term impacts of project investments; • Developed common performance measures with all Regional Development Agencies for the delivery of EAP; • Produced quarterly EAP performance reports to inform Canadians.			

Integrated Risk Management	Previously committed to	Met all	Integrated risk management supports all strategic outcomes.
• MAF VII Area of Management 9 (Effectiveness of Corporate Risk Management) – Acceptable rating; • Completed risk management framework for the delivery of EAP in Western Canada based on the corporate risk profile; • Integrated risk management training at all levels of the organization; • Developed risk-based tools to ensure compliance with the requirements of the new Treasury Board policies; • Developed new tools to assist in risk-based assessment and decision making; • Integrated corporate risk assessment into the planning cycle, including mitigation measures; • Enhanced risk mitigation requirements in Project Gateway.			

Risk Analysis

Operating Environment

Successful achievement of WD's strategic outcomes depends on the department's ongoing ability to identify, assess and manage enterprise-wide risks. WD's Executive Committee reviews and approves the department's corporate risk profile annually to ensure relevance and to inform departmental planning. The key risks which impacted WD's performance in 2009-2010 are outlined below.

External Risks

The global economic downturn had a significant impact on the largely commodity-based economies of Western Canada. Of the four western provinces, only Manitoba, with its diversified economic base, avoided a major decline in its overall economic performance in comparison to the other western Canadian and Canadian provinces. As a region, Western Canada's economy contracted by 3.7 per cent and lost more than 100 thousand jobs in 2009. To address the challenges related to the global economic recession, the Government of Canada tasked WD with the delivery of CAF and RInC in Western Canada, as part of EAP.

The economic downturn exposed the vulnerability of a commodity-based economy to rapidly evolving economic shifts and revealed persistent weakness in innovation and productivity – as reflected by R&D expenditures, investment in ICT, and university income from the commercialization of intellectual property. WD identified four operational priorities for 2009-2010 to address these vulnerabilities: 1) technology commercialization, 2) trade and investment, 3) business productivity and competitiveness, and 4) rural diversification. A summary of actions and overall performance against these operational priorities is provided in Section I, above. In addition, an assessment of the contribution of each WD program activity to these operational priorities, as well as the extent to which external risks hindered the achievement of targets, is presented in Section II.

Internal Risks

As part of its on-going integrated risk management process, WD identified nine key internal risks which might inhibit the successful delivery of the department's mandate. Risks such as performance measurement and public service renewal were selected as management priorities for 2009-2010 and results of mitigation efforts are captured in Section I. Since risk mitigation measures were also incorporated into the design and development of WD's EAP initiatives, through these initiatives WD has demonstrated the ability of its partners to undertake priority activities, has solidified its strong reputation among stakeholders and partners for effective and relevant programming, and has underscored its ability to deliver an effective and consistent communications message.

WD's longer term resource challenges were addressed through the approval of an additional $14.7M per year in long-term stable program funding for the Western Diversification Program (WDP) in Budget 2010. WD also carried out an external readiness assessment in preparation for adopting new accounting practices and to aid in

demonstrating the effectiveness of its financial control framework and in strengthening budget management.

Expenditure Profile

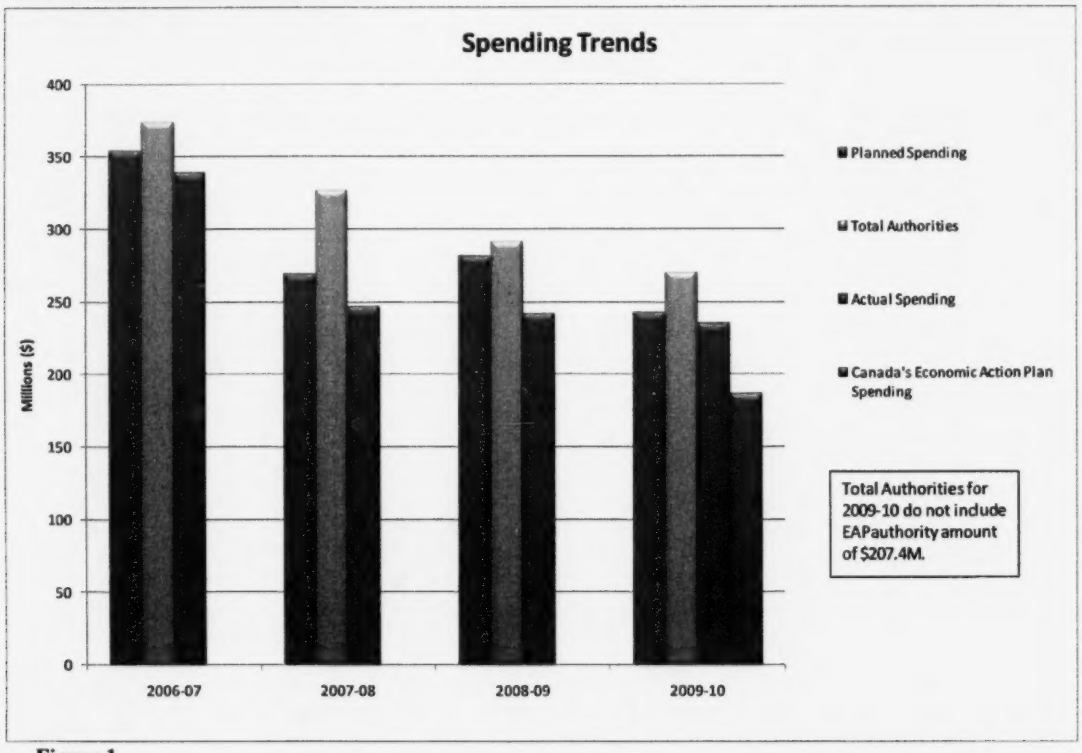


Figure 1

Spikes in actual spending over the past four years can be attributed to one-time initiatives such as the MPB initiatives, ASC Initiative, and InterVac, which WD delivered in addition to its core programs. As indicated separately in the table above, 2009-2010 actual spending was augmented by the delivery of three EAP initiatives: CAF, RInC, and on-going funding for the Canada Business Network (CBN).

The wind down of some prior initiatives may also impact the department's level of spending from year to year. For example, expenditures under the Infrastructure Canada Program (ICP) decreased over the last three years from $30.6M in 2007-2008, to $12.9M in 2008-2009 and to $3.7M in 2009-2010, whereas expenditures related to the MPB initiatives increased from $2.8M in 2007-2008 to $21.0M in 2009-2010.
The figures presented in the above chart do not include funds spent through OGD suspense accounts, on behalf of other departments. For example, in fiscal 2009-2010, WD expended approximately $133.4M on behalf of Infrastructure Canada to deliver MRIF and CSIF.

Canada's Economic Action Plan

Under EAP, WD was responsible for the delivery of RInC, CAF, and the on-going CBN funding in Western Canada. The department spent a total of $186.3M in 2009-2010. WD is also delivering the Building Canada Fund (BCF) top-up funding on behalf of Infrastructure Canada, which was announced in Budget 2009, within WD's existing operating funding levels.

Voted and Statutory Items

($ thousands)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2007–08 Actual Spending	2008–09 Actual Spending	2009–10 Main Estimates	2009–10 Actual Spending
1	Operating expenditures	45,018	49,645	41,725	54,991
5	Grants and contributions	197,120	187,009	195,245	226,147
(S)	Community Adjustment Fund	-	-	-	133,437
(S)	Contributions to employee benefit plans	5,017	5,481	4,801	6,712
(S)	Collection Agency Fees	3	-	-	2
(S)	Minister of Western Economic Diversification	0	25	-	2
(S)	Spending of Proceeds from disposal of Surplus Crown Assets	2	13	-	12
	Total	**247,160**	**242,173**	**241,771**	**421,303**

The significant differences in Vote 1, 5 and statutory spending between 2008-2009 and 2009-2010 are due to the inclusion of the EAP initiatives. CAF is included as a Statutory Item; RInC is included in Vote 1 and Vote 5; and ongoing Canada Business Network funding is included under Vote 1

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOMES

2.1 Entrepreneurship and Innovation

Strategic Outcome: The western Canadian economy is competitive, expanded and diversified.

Western Economic Diversification Canada (WD) contributes to this strategic outcome by working with western Canadian business, industry and research organizations to undertake initiatives that enhance business productivity and competitiveness; support trade and investment attraction; and facilitate the penetration of western Canadian technologies, services and value-added products into international markets. WD also supports greater access to risk capital and business services for entrepreneurs and small business through programs and services offered in conjunction with other business services organizations and associations.

WD also contributes to this strategic outcome by supporting a range of activities to expand the western innovation system, increase capacity to develop and commercialize technologies and products to facilitate the West's transition to a knowledge-based economy. These activities include targeted investments in knowledge infrastructure, research and development (R&D), highly qualified people, access to adequate long-term financing, technology commercialization facilities and support systems, and mechanisms to link these elements to each other.

WD utilizes a number of economic indicators to gauge the competiveness, growth, and diversity of the western Canadian economy in order to better understand the environment which it is attempting to influence. The year-over-year real Gross Domestic Product (GDP) growth rate for the West declined in both 2007 and 2008, and was negative in 2009, due to the global economic crisis; however, in four of the last five years it has exceeded the national rate.

Annual international trade (the value of exports excluding primary production sectors) decreased from $42.74B in 2008 to $34.97B in 2009, also reflecting the impact of the global economic downturn. R&D intensity as measured by Gross Domestic Expenditures on R&D (GERD) as a percentage of GDP, decreased slightly from 1.3 per cent in 2006 to 1.2 per cent in 2007, representing a relatively stable level of expenditure. Ideally, the percentage of R&D expenditures should grow over time in order to support the growth of the knowledge-based economy.

2.1.1 Program Activity: Business Development and Entrepreneurship

Program Activity: Business Development and Entrepreneurship					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
48,849	52,420	46,941	67	43	24

Effective April 1, 2009 the department implemented a revised direct coding policy for operational resources. This combined with the introduction of the Internal Services program activity has resulted in variances in full-time equivalent (FTEs) positions at the program activity level for all program activities.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Strong small- and medium-sized enterprises (SMEs) in Western Canada with improved capacity to remain competitive in the global marketplace	SME revenue (All SME sizes, excluding non-employee businesses)	$428.596B (Stable growth rate)	Mostly met	$370.237B (2006 – Most recent data available) (Stable growth rate from 2001 through 2006)
	SME employment, (All SME sizes, excluding non-employee businesses)	2,508,300 (Stable)	Mostly met	2,498,000 (2007 – Most recent data available) (Stable from 2001 through 2007)
	Annual capital amount accessed by SMEs through WD programs	$78.8M	Exceeded	$104.4M (includes WCBSN loans - $91.1M - and Loan and Investment (LI) Program lending - $13.3M)

Small businesses are a key driver of the western Canadian economy, accounting for the majority of employment in the West. Therefore, WD tracks SMEs revenue, employment levels, as well as the capital accessed by SMEs through WD programs as indicators of SMEs' capacity to remain competitive in the global marketplace.

Benefits for Canadians

In 2009-2010, WD's funding of $61.8M, leveraged $43.9M from other sources, for 141 projects in support of Business Development and Entrepreneurship. This included 102 projects to extend operating funding for members of the Western Canada Business Service Network (WCBSN – 90 Community Futures (CF) organizations, four CF provincial associations, four Francophone Economic Development Organizations (FEDOs), and four Women Enterprise Initiative (WEI) organizations) for one more year (2010-2011) to ensure SMEs have the knowledge, skills and capacity to compete. In addition, WD continued to jointly fund the four Canada Business (CB) service centres in Western Canada with the provincial governments. Collectively, organizations comprising the WCBSN provided the following services in 2009-2010:

- Over 248 thousand information services;
- Over 62 thousand advisory services;
- Over 37 thousand clients trained;

- 1,749 loans approved totalling $91.1M, which created or maintained 10 thousand jobs, and created, maintained or expanded over 3,200 businesses; and
- Over 137 thousand client interactions through multiple access channels provided by the CB service centres across Western Canada, including: e-mail (11,449 interactions), telephone (60,468 interactions) and walk-in traffic (65,226 interactions).

In support of its 2009-2010 trade and investment operational priority, WD leveraged the 2010 Winter Olympic and Paralympic Games to enable western Canadian SMEs to showcase their products, services and expertise and also raise the profile of Western Canada as an attractive investment destination. For example, WD supported the 2010 Partnership Investment Program, an initiative that attracted foreign investors from 70 global companies and resulted in an estimated $60M in new business deals for Western Canada, exceeding expected program targets.

2009–2010 Operational Priorities
- Trade and Investment
- Business Productivity and Competitiveness
- Rural Diversification

In support of its business productivity and competitiveness priority, WD funded projects such as the Saskatchewan Research Council Centre for Advanced Microanalysis, which will provide SMEs with access to equipment to support R&D in chemical and materials engineering and mineral exploration programs. WD also supported this operational priority by enhancing SMEs' access to capital through the LI Program. A recent five-year evaluation estimates that for every dollar of cost to WD, the LI Program directly generates nine dollars in new financing for small business clients plus a further $19 in investments from other sources.

The cumulative impact of all Business Development and Entrepreneurship projects reporting results since April 1, 2005, includes 2,977 businesses created and 2,951 companies that have participated in export and market development initiatives. (Please refer to Table 2a in Section III for complete results.)

Performance Analysis

In response to tight credit markets and a heightened need for access to capital, WCBSN members increased their lending to western SMEs by $7.6M (9.2 per cent) over 2008-2009 levels. To address this increase in demand for capital in 2009-2010, WD provided an additional $3.5M to CF investment pools in Saskatchewan and Manitoba, which are joint loan funds enhancing CF organizations' access to loan capital.

Examples of other WD projects approved in 2009-2010 to advance the objective of Business Development and Entrepreneurship, include:

- *Prince Rupert Shore Power* – WD invested $700 thousand to support this British Columbia (BC) project which will allow container vessels to shut down their engines and auxiliary generators, and transfer ship electrical loads to a clean electrical energy supply from shore in the Port of Prince Rupert. Anticipated economic benefits include a significant cost-savings in the operating costs of berthing container ships and a reduction in local air pollutants and greenhouse gases;

- *Edmonton's NorQuest College Centre for Excellence in Print Media* – WD invested $897 thousand towards the purchase of new equipment, software and subject matter expertise for the Centre for Excellence in Print Media to enhance the print industry's productivity;
- *Agence national et international du Manitoba* – WD invested $320 thousand to strengthen Manitoba's economy by promoting trade and investment with international francophone markets, which resulted in 17 agreements between Manitoba and out-of-province/ foreign firms, with an estimated short-term economic impact of $3M;
- *Alberta Women Entrepreneurs* - WD invested $544 thousand over three years to implement a pan-west program to assist women entrepreneurs to access domestic and international supply chains.

As part of WD's efforts to promote greater export opportunities for Western Canada, during 2009-2010 the department invested $416 thousand in 33 business development projects through the North American Platform Program (NAPP) designed to strengthen trade and investment linkages with the United States (US) and Mexico. WD's support has enabled western Canadian SMEs to increase their profile in the US market. For example, WD supported a Systems Integrators incoming mission of five US information and communications technologies (ICT) firms which met with pre-screened Alberta firms in Calgary. As a result, the participating western Canadian firms gained at least a dozen business leads and numerous potential partnerships are under discussion.

Lessons Learned

WD's experience in delivering international business development projects combined with recent research findings from the Conference Board of Canada have highlighted the benefit of connecting western Canadian SMEs to large international suppliers. These activities enhance SMEs' ability to provide goods and services to large multi-national corporations and to participate in global value chains. WD will endeavour to increase its support for these types of value-added trade projects, including bringing suppliers into a number of western Canadian cities.

2.1.2 Program Activity: Innovation

Program Activity: Innovation					
2009–10 Financial Resources ($ thousands)			**2009–10 Human Resources (FTEs)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
77,264	80,598	86,869	56	33	23

Effective April 1, 2009 the department implemented a revised direct coding policy for operational resources. This combined with the introduction of the Internal Services program activity has resulted in variances in FTEs positions at the program activity level for all program activities.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
A stronger knowledge-based economy	Total western Canadian university income from the Commercialization of Intellectual Property	$40.40M (Increase)	Not met	$22.88M (2007 – Most recent data available) (Stable level of income from 2005 through 2007)
	Business Expenditure on R&D as % of GDP	0.6% (Stable)	Mostly met	0.5% (2007 – Most recent data available) (Stable 2004 through 2007)
	Employment in Natural and Applied Science and Related Occupations as a % of Total Employment	6.6% (Increase)	Unable to assess at this time due to lack of current data	6.5% (2006 – Most recent data available; represents the baseline upon which the target was based.)

Benefits for Canadians

The Government of Canada's Advantage Canada plan and the federal Science and Technology (S&T) strategy recognize the importance of innovation to Canada's economic well-being. In addition the report, *Innovation and Growth – Chasing a Moving Frontier (2009)*, from the Organization for Economic Co-operation and Development (OECD) and the World Bank stresses that innovation is a key driver of productivity growth, which can strengthen economic growth and development. In particular, innovation in goods, services, processes and practices can help accelerate the global economic recovery and put countries back on a path to sustainable growth.

WD tracks Western Canada's progress in innovation through indicators such as western Canadian university income from the commercialization of intellectual property, business expenditure on R&D, and employment in natural and applied science. Income from commercialization of intellectual property has remained stable from the baseline year of 2005 through 2007 at $22.9M, although the targets have forecast increases. Business expenditure on R&D (BERD) as percentage of GDP has remained stable from the baseline year of 2004 through 2007 at approximately 0.5 per cent, which is low compared to Canada as a whole (1.2%), as well as compared to Canada's international competitors. The most recent data available regarding employment in natural and applied science is the baseline data from 2006 of 6.5 per cent.

The following case studies illustrate the impact of WD's investments in support of its on-going technology commercialization priority:

- *Composites Innovation Centre (CIC)* has become a key facilitator in the composites industry in Manitoba. As of 2008, 107 projects have been completed or are in progress at the CIC, 28 of which have a rural focus;

2009–2010 Operational Priorities
- Technology Commercialization

- *International Performance Assessment Centre for Geologic Storage of Carbon Dioxide (IPAC-CO2)* provides an independent performance assessment of carbon capture and storage (CCS) projects to meet a public and regulatory need. IPAC-CO2 recently announced that it has established a global network of organizations from eight countries that are conducting CCS research;
- *Nanotechnology in Alberta* - WD has invested approximately $22M in this sector, primarily with the University of Alberta in partnership with the province of Alberta, in which there are approximately 50 companies active that target capturing $2B or two per cent, of world markets by the year 2020;
- *Okanagan Research and Innovation Centre (ORIC)* is a key player in facilitating the emerging technology cluster in the Okanagan, with five on-site incubator clients, four off-site clients, three prototypes developed, three technologies launched to market, 20 new technology jobs created by incubator clients, and approximately $3.5M in new investments.

In addition, several external, independent impact assessments (Impact of Technology Adoption and Commercialization, and Knowledge Infrastructure and Impact of WD's Investments in Life Sciences Cluster) have confirmed that WD has been influential in building the capacity of key technology clusters in the West, such as micro/nanotechnology, clean energy (such as fuel cells), medical devices and diagnostics, wireless and geomatics, composite materials, and functional foods and neutraceuticals. According to key partners and stakeholders, WD is valued for its flexibility, responsiveness, knowledge, and its role as an independent broker.

WD's innovation activities also help forge stronger linkages between Canada's S&T community and global innovation networks, under the Global Commerce Strategy. For example, WD partnered with International Science and Technology Partnerships Canada Inc. to create opportunities for collaborative R&D and partnership development activities between Alberta and Chinese business organizations. These projects are increasing technology transfer, collaboration and commercialization initiatives in these two jurisdictions. The primary focus of the initiative was to make Alberta companies more globally competitive through the use of international research-based alliances.

The cumulative impact of all Innovation projects reporting results since April 1, 2005, includes: 222 technology demonstrations, 53 technologies to market, 978 people trained, and 96 buildings and pieces of equipment acquired for R&D or training. (Please refer to Table 2a in Section III for complete results.)

Performance Analysis

In 2009-2010, WD approved funding of $43.7M, which leveraged $190.9M from other sources, for 33 projects in support of Innovation, such as:

- *Canadian Environmental Test and Icing Certification facility* in northern Manitoba for cold weather testing of new aerospace technologies to support R&D of new, more efficient and advanced, aerospace designs; and

- *Hotchkiss Brain Institute at the University of Calgary* for the commercialization of medical technologies that will create new economic and commercial opportunities and attract investment and skilled jobs to the West.

WD's Innovation program activity received support through Budget 2010, which allocated an additional $14.7M to support commercialization, enhance global competitiveness and drive economic growth and development in communities. The breakdown of Innovation funding approved in 2009-2010 by sector is provided in the chart, below. WD's sector priorities of Life Sciences, ICT and Environmental Technologies are consistent with those identified in Canada's S&T Strategy: "Mobilizing Science and Technology to Canada's Advantage." Besides its priority sectors, WD supports other emerging innovation sectors, such as composites.

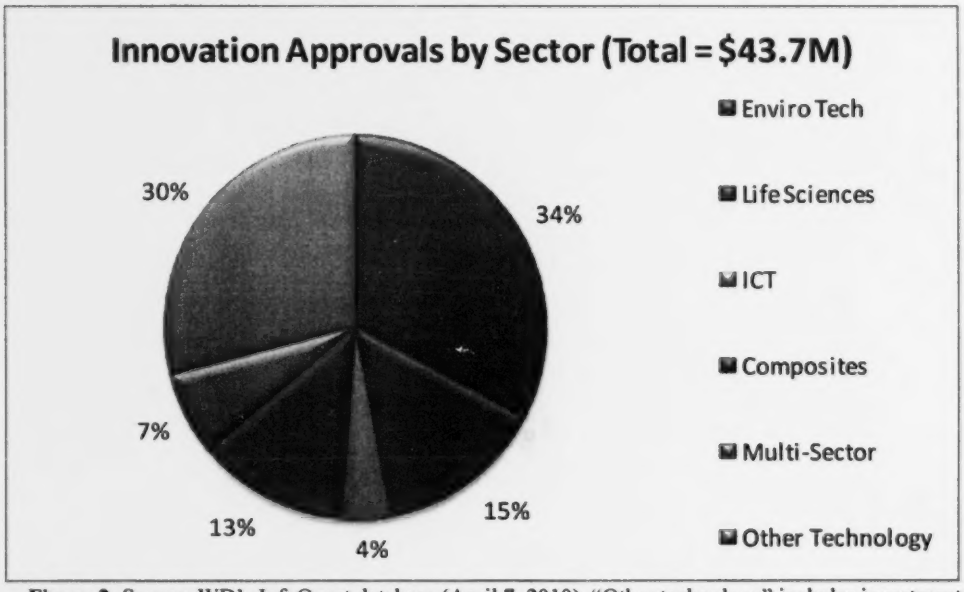


Figure 2: Source: WD's InfoQuest database (April 7, 2010). "Other technology" includes investments in Synchrotron and Medical Isotopes

Lessons Learned

WD is examining opportunities to increase economic outcomes in innovation. These include:

- New approaches to technology commercialization; and
- Additional effort on market pull and private sector driven commercialization to increase immediate results of innovation investments.

In 2009-2010, WD developed four sector profiles: life sciences, environmental technologies, ICT, and new media. These sector profiles will provide intelligence as WD reviews its approach to technology commercialization as well as provide a valuable benchmark for future impact assessment. WD also undertook research on best practices in other jurisdictions to identify new approaches to working with firms.

2.2 Community Economic Development

Strategic Outcome: Communities in Western Canada are economically viable.

WD contributes to this strategic outcome through economic development and diversification initiatives that support communities to sustain their economies and adjust to changing and challenging economic circumstances. WD often acts as the lead federal government department for the design and delivery of adjustment programs to respond to serious economic threats to the West. Examples of WD's work in this area over the past year include the delivery of the Mountain Pine Beetle (MPB) program and the delivery in Western Canada of key components of Canada's Economic Action Plan (EAP) to respond to the impacts of the economic downturn. While the department did not meet all of the key targets associated with Community Economic Development in 2009-2010, this was attributable largely to the priority placed on responding quickly to the delivery of EAP programs. Please refer to Section 2.4 for a more complete overview of the EAP and the department's additional results in the area of Community Economic Development.

WD's strategic investments in support of Community Economic Development include projects that assist communities to assess community strengths, weaknesses, opportunities, and potential for new economic activity and to develop and implement community plans. WD also delivers community infrastructure programs in collaboration with Infrastructure Canada and provincial and municipal governments to maximize benefits.

2.2.1 Program Activity: Community Economic Planning, Development, and Adjustment

Program Activity: Community Economic Planning, Development and Adjustment					
2009–10 Financial Resources ($ thousands)			**2009–10 Human Resources (FTEs)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
81,280	94,161	58,540	68	30	38

The difference between total authorities and actual spending for the Community Economic Planning, Development and Adjustment program activity is primarily due to the transfer of the contractual commitment for the Alberta and Saskatchewan Centenaries (ASC) Initiative (Royal Alberta Museum) of $25.2M to future years and expenditures incurred against other program activities, such as Internal Services. Effective April 1, 2009 the department implemented a revised direct coding policy for operational resources. This combined with the introduction of the Internal Services program activity has resulted in variances in FTEs positions at the program activity level for all program activities.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Communities have increased economic opportunities and capacity to respond to challenges	Employment: # of new jobs created	84,000 (Grow at a slower rate)	Not met	-102,812 (2009 - Net job loss)
	Net migration rate - international and domestic	81,879 (Grow at a slower rate)	Somewhat met	68,719 (2009 – Growth at slower rate than targeted)

Benefits for Canadians

A significant proportion of WD's community economic development funding stems from the department's role as the western delivery agent of national programs such as municipal infrastructure programs and the CF Program, and from the support provided to FEDOs. In order to capture the impact of these activities, WD tracks job creation and the net migration rate as indicators of increased economic opportunities of communities and their capacity to respond to challenges. In 2009, Western Canada had a net job loss of 102,812 which was due primarily to the fallout from the global economic downturn, which WD identified as an external risk. This job loss was somewhat mitigated by the direct job creation from the Community Adjustment Fund (CAF) and the Recreational Infrastructure Canada program (RInC), which is reported to be 2,131 jobs. Net migration grew at a rate slower than targeted in 2009, again due to the impact of the global economic downturn on Western Canada.

2009–2010 Operational Priorities

- Rural Diversification
- Business Productivity and Competitiveness

WD helped rural communities diversify by undertaking value-added processing and encouraging new opportunities for skilled employment through projects such as:

- *MLTC Resources Development Inc.*, in Meadow Lake, Saskatchewan, undertook applied R&D and value-added processing in the forestry industry to develop a test site for wood pellet processing and create a wood pellet processing business;
- *Rural Economic Diversification Initiatives*, in Alberta and BC were successful in supporting tourism clusters in the Canadian Badlands and Alberta's Peace Country, an investment attraction and diversification initiative for the Red Deer region, as well as 11 projects in rural BC that will create 560 jobs.

The cumulative impact of all Community Economic Planning, Development and Adjustment projects reporting results since April 1, 2005, include: 145 activities providing planning leadership and expertise, 1,214 instances of increased capacity in community organizations, and 3,825 people trained. (Please refer to Table 2a in Section III for complete results.)

Performance Analysis

In 2009-2010, WD approved new funding of $18.2M, for 46 projects in support of Community Economic Planning, Development and Adjustment, through the Community Economic Diversification Initiative (CEDI) and Western Diversification Program (WDP) funding. WD's funding leveraged $22.3M from other sources.

The diversification of Western Canada's resource-based industrial structure and increasing the value-added of current economic output are key to enhancing the viability of communities and ensuring stable long-term economic growth. As part of the $200M federal MPB Program, WD has delivered over $51.5M in project funding through CEDI to help diversify local economies of communities affected by the mountain pine beetle infestation in BC. In 2009-2010, WD approved new CEDI funding of $14.8M for 38 economic development projects, which leveraged an additional $3.7M. In addition to

projects approved under CEDI, an additional eight projects totaling $3.4M and leveraging $18.6M were approved in 2009-2010 under WDP in support of this program activity.

CAF also supports this program activity and is described further under the EAP, below.

There were three evaluations undertaken in 2009-2010 that addressed this program activity including the ASC Initiative evaluation, and the evaluations of Urban Development Agreements (UDAs) in BC (Vancouver) and Saskatchewan (Regina and Saskatoon). The evaluation of the ASC Initiative concluded that the program was managed in a cost-effective manner and contributed to community economic development. Overall, it was found the program leveraged $3.37 from other funding sources for every departmental dollar spent, which compares favourably with other federal grants and contributions (G&C) programs (ranging from $1.50 to $2.30). Benefits of the agreements included contributing to raising the profile of arts and culture in the region and narrowing the gap in economic and community infrastructure investments.

Lessons Learned

The evaluations of the UDAs in BC (Vancouver) and Saskatchewan (Regina and Saskatoon) recommended that WD develop individualized performance measurement strategies for future special purpose initiatives rather than using the broad one in place for WDP. This would facilitate a more tailored approach to performance measurement for each initiative. WD has followed this advice in working collaboratively with other Regional Development Agencies (RDAs) to develop a performance measurement strategy specific to CAF, as well as one specific to the Western Economic Partnership Agreements (WEPA).

The ASC Initiatives evaluation recommended that WD should ensure its corporate database captures relevant project information in a timely manner. The Bring Forward Tool in Project Gateway, implemented in February 2010, generates automatic reminders to staff about outstanding Client progress reports.

2.2.2 Program Activity: Infrastructure

Program Activity: Infrastructure					
2009–10 Financial Resources ($ thousands)			**2009–10 Human Resources (FTEs)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
7,566	10,719	8,178	13	41	-28

Planned and actual spending does not include G&C resources administered by WD on behalf of Infrastructure Canada (MRIF, CSIF) through OGD suspense account, as this amount (approximately $133.4M in actual spending) is reported by Infrastructure Canada. The FTE variance is as a result of operating funding related to the Building Canada Fund – Community Component and Major Infrastructure Component that was received through Supplementary Estimates.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
To maximize economic, social, cultural and environmental benefits to western Canadians through investments in public infrastructure in a coordinated manner with provincial and municipal governments	Percentage of key informants with the opinion that WD delivery of Infrastructure programs resulted in investments that reflect western Canadian infrastructure priorities	50%	Not met	Several key informants interviewed as part of the national ICP evaluation noted that infrastructure challenges would be better served through a longer-term funding commitment and be better guided by a policy framework providing municipalities with more predictable funding streams on which to base longer term capital plans.[5]
	$ value of federal infrastructure projects funded per fiscal year	$5.9M	Somewhat met	$4.2M (ICP expenditures in 2009-10)
	$'s leveraged in addition to federal $'s for projects funded per fiscal year	$11.8M	Exceeded	$13.3M (ICP leverage in 2009-10)

Benefits for Canadians

WD's delivery of infrastructure programs in Western Canada contributes to the Government of Canada's commitment to supporting economic growth and building strong communities. The national evaluation of the Infrastructure Canada Program (ICP) conducted by Infrastructure Canada concluded that funded projects achieved the intended intermediate outcomes: targeted communities were provided with better drinking water, air quality and water management services, and are benefiting from reduced greenhouse gas emissions and improved solid waste management. WD also tracks key informant opinion of the relevance of WD's infrastructure investments, the value of those investments, as well as the leverage of funding from other sources. Results for 2009-2010 were mixed, as presented in the above chart.

The cumulative impact of all ICP projects in Western Canada since the program began in October 2000 is shown in Table 2b in Section III.

Performance Analysis

During 2009-2010, WD delivered infrastructure programs in each of the western provinces on behalf of Infrastructure Canada. This included the Municipal Rural Infrastructure Fund (MRIF) and the Building Canada Fund (BCF) Communities Component. As well, WD delivers a number of Canada Strategic Infrastructure Fund (CSIF) and BCF Major Infrastructure Component projects in the West. G&C funding for MRIF, BCF and CSIF is provided through Infrastructure Canada's appropriation and is

[5] ICP National Evaluation, p. 14. Note a regional breakdown of data is not available.

held in a suspense account[6] while operations funding for the delivery of these programs continues to be included in WD's estimates. Details on infrastructure program results for which G&C funds are held in suspense accounts may be found in Infrastructure Canada's Departmental Performance Report (DPR).

WD also continued to deliver the ICP on behalf of the federal government in Western Canada. The ICP was launched in 2000 to enhance infrastructure in Canada's urban and rural communities and to improve quality of life through investments that protect the environment, support economic growth, and build strong communities. By March 31, 2010, WD had committed 97 per cent of the total federal funding of $564M towards 1,693 infrastructure projects across the West. A total of $4.2M was spent by the department in 2009-2010, leveraging $13.3M in funding from other orders of government. Since the launch of ICP in 2000, the total cumulative spending as of March 31, 2010, was $547.3M, excluding administrative costs.

Lessons Learned

Infrastructure Canada's national evaluation of the ICP in 2009-2010 showed that the program, which relied upon the expertise and funding of all three orders of government, provided a collaborative and coordinated approach to addressing municipal and community infrastructure needs. The creation of joint or virtual secretariats, with federal and provincial staff working together to support the regional program management committees, was seen as an innovative solution for resolving issues and ensuring strong communications between delivery partners. The evaluation noted that the program delivery by RDAs was a major advantage because federal players such as WD had local knowledge and familiarity with local needs and their provincial government counterparts. It was also noted that the RDAs exercised due diligence in the delivery of ICP, and complied with all program and federal authorities and requirements.

The findings of the ICP evaluation are being used to inform the delivery of other infrastructure programs. For example, there are ongoing efforts to improve the Shared Information Management System for Infrastructure (SIMSI) and WD and the other federal delivery partners are working with Infrastructure Canada to develop a formal agreement to clarify their respective roles and responsibilities in program delivery, monitoring and reporting.

2.3 Policy, Advocacy and Coordination

Strategic Outcome: Policies and Programs that strengthen the western Canadian economy

One of WD's responsibilities as mandated by the *Western Economic Diversification Act (1988)* is to advance the interests of Western Canada in national economic policy,

[6] A suspense account is an account to which a transaction is posted on a temporary basis until its ultimate disposition is determined. As such, OGD suspense accounts do not represent a Parliamentary authority and therefore cannot be used per se to authorize payment out of the Consolidated Revenue Fund. At year-end, unspent funds in an OGD suspense account must be returned to the funding department.

program and project development and implementation. To fulfill this, WD maintains strong relationships with the western provinces, works collaboratively with a range of industry, research, and other stakeholders in the West, and undertakes research and analysis on economic and policy issues of importance to Western Canada. WD responds to key opportunities for long-term growth and diversification in areas of federal or shared federal-provincial jurisdiction. WD's research and advocacy activities are also instrumental for informing the department's policy and program decisions.

To measure effectiveness, WD utilizes a number of performance indicators which reflect the responsiveness of its own and federal policies and programs to the needs of western Canadians. In 2008-2009, WD conducted an evaluation to establish baseline measures related to this strategic outcome. The results of a survey of key informants found that 94 per cent are of the opinion that WD activities provide policies that support the economic development of Western Canada, and 95 per cent held this same opinion with respect to programs. The department will repeat this survey every five years to monitor these opinions, and to identify trends and issues. WD also tracks total project funding approved from all sources to gauge the effectiveness of the department's efforts to collaborate with other partners and leverage other sources of funding. This measure fluctuates from year-to-year, due to incremental G&C funding available to the department for one-time initiatives. For example, total funding of approved projects increased from $513.57M in 2008-2009 to $1.56B in 2009-2010 due to EAP initiatives. Finally, the percentage of projects completed per fiscal year that successfully met or exceeded performance targets is meant to reflect how effective the department's overall efforts have been related to Policy, Advocacy, and Coordination. This performance indicator has been very stable, at about 85 per cent year-over-year, reflecting a very high success rate of completed projects.

Benefits for Canadians

WD's Policy, Advocacy and Coordination activities contribute to the achievement of the department's other strategic outcomes and its operational priorities. For example, in support of its technology commercialization priority, WD coordinated the Senior Officials Forum on Innovation 2009 meetings, which resulted in a stronger network of policy makers and an increased awareness of best practices and relevant innovation issues.

2009–2010 Operational Priorities

- Technology Commercialization
- Trade and Investment
- Business Productivity and Competitiveness
- Rural Diversification

In support of its trade and investment priority, WD promoted western Canadian companies and capabilities to prime contractors that have won or will be bidding on military procurements that have Industrial and Regional Benefits (IRB) obligations. Western Canadian companies benefitted from two WD-sponsored supplier development tours aimed at building awareness of business opportunities from major federal procurements by bringing together major international defence contractors and potential supply companies in Western Canada.

In support of its business productivity and competitiveness priority, WD and the four western provinces funded the Conference Board of Canada's research on "*Western Canada: Productivity, Competiveness and Potential*".

In support of its rural diversification priority, WD worked closely with the other RDAs to renew the national CF Program, resulting in the announcement in Budget 2010 of annual incremental funding of $3.63M for the program in Western Canada. The collaborative effort of the RDAs has allowed the CF Program to continue to support community economic development and business development in rural Western Canada.

The cumulative impact of all Policy, Advocacy and Coordination G&C projects reporting results since April 1, 2005, includes 59 opinion editorials based on WD-sponsored research and 112 spokesperson/media references to WD-funded research. (Please refer to Table 2a in Section III for complete results.)

2.3.1 Program Activity: Collaboration and Coordination

Program Activity: Collaboration and Coordination					
2009–10 Financial Resources ($ thousands)			**2009–10 Human Resources (FTEs)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
2,888	3,292	3,467	21	29	-8

The FTE variance is as a result of an increased coordination role related with the delivery of EAP initiatives in the western provinces.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Better coordinated economic development activities, policies and programs in the West	Percentage of key informants with the opinion that WD activities provide better coordinated economic activities, policies and programs in the West	55%	Exceeded	91% (2008-2009)
	$'s leveraged for projects funded per fiscal year from all WD programs ($'s leveraged per WD $)	$1.00	Exceeded	$1.54
	$ value of project funding provided under interdepartmental agreements to which WD was a party	$25M	Exceeded	$29.82M (Includes WEPA and UDA G&C expenditures)

Performance Analysis

The main objectives identified by WD in its 2009-2010 Report on Plans and Priorities (RPP) were accomplished in 2009-2010. These included the successful implementation of a new round of the WEPA with the four provincial governments, promoting collaboration of senior WD and provincial government decision-makers through the Western Deputy Ministers' Forum, and participating in western-based consultations such as the Senior Officials Forum on Innovation.

Specific results attributable to the WEPA in 2009-2010 included the formation of WEPA committees in each province to guide priority setting and joint management of each agreement, and the approval of 38 projects, totalling $51.2M in WD funding.

The Western Deputy Minister's Forum led to collaboration between WD and provincial governments on several initiatives, notably the identification of opportunities to capitalize on the economic opportunities presented by the Vancouver 2010 Winter Olympic and Paralympic Games, and the joint funding of a study by the Conference Board of Canada on *"Western Canada: Productivity, Competitiveness and Potential"*, which involved a series of roundtables held across the West in June 2009.

Other examples of WD's collaboration and coordination activities included:

- *Saskatchewan Indian Institute of Technologies' Aircraft Maintenance Engineering training facility* – WD collaboration with the Province of Saskatchewan and several multinational companies resulted in this IRB opportunity for Saskatchewan;
- *CentrePort Canada Inc.* – WD played a central coordination role in this initiative which will position Winnipeg and Manitoba as a continental trade hub for rail, air and road cargo through the establishment of an inland port. It is expected that this inland port will help facilitate increased foreign trade and investment in the region.

Lessons Learned

WD collaboration and coordination activities have been successful in bringing together key stakeholders to further the economic development of the West. The recent global economic crisis reinforces the need for the West to move towards a sustainable, diversified, knowledge-based economy. Sustained efforts in building positive relationships and collaborating with various orders of government, departments and key stakeholders will ensure the West is making strides in addressing productivity and competitiveness challenges.

2.3.2 Program Activity: Advocacy

Program Activity: Advocacy					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
3,246	3,796	3,344	31	28	3

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Decisions by other organizations that improve economic policies and programs in the West	Percentage of key informants with the opinion that WD activities provide an improved understanding and awareness of western issues, challenges, opportunities and priorities	55%	Exceeded	96% (2008-2009)
	Percentage of key informants with the opinion that WD advocacy work results in federal	60%	Exceeded	88% (2008-2009)

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
	policies and programs that reflect western Canadian needs			
	Percentage of key informants with the opinion that WD advocacy work results in improved awareness of industrial and regional benefits and/ or federal procurement opportunities	50%	Exceeded	66% (2008-2009)

Performance Analysis

WD's overall Advocacy activities in 2009-2010 included: advancing development opportunities for transportation, distribution and logistics, through projects such as CentrePort Canada Inc. and Prince Rupert Shore Power; increasing value-added content and the promotion of western suppliers for high technology industries, through initiatives such as the Asia Pacific Gateway and Corridor Initiative; and bolstering national competitiveness and productivity.

Advocacy in aerospace and defence procurement is an important element of the department's economic diversification efforts, generating benefits for the western economy, businesses, and institutions. In 2009-2010, WD partnered with the Western Aerospace Alliance to advance business development and to increase Western Canada's presence at the International Paris Air Show and promote the western Canadian aerospace and defence sector on the global stage.

An example of WD's advocacy activities on behalf of western Canadians in 2009-2010 was the department's work to engage western Canadian stakeholders in the Pan-Western Outreach Program, led by the department of Foreign Affairs and International Trade (DFAIT). This program is part of a broader national outreach strategy to raise business awareness of Canada's international trade programs and policies, including foreign trade zone programs such as the Duty Deferral Program, the Export Distribution Centre Program, and the Exporters of Processing Services Program.

Other advocacy highlights in 2009-2010 include:

- WD's engagement with other federal departments to advocate on behalf of western Canadian stakeholders regarding western interests on key national policy initiatives such as the federal S&T strategy, the environment, energy, and tourism;
- *West Coast Chinook Salmon* – WD collaborated with the Department of Fisheries and Oceans to identify and fund specific community adjustment measures in response to the implementation of new provisions under the Canada-US Pacific Salmon Treaty;
- *Federal Framework for Aboriginal Economic Development* – WD has been active in formulating policy and program initiatives that will provide added avenues for funding of Aboriginal economic development initiatives in Western Canada.

Lessons Learned

In order to ensure it is well positioned to represent western Canadian interests on a growing number of policy issues, WD will need to strengthen its advocacy approach and capacity. An example of the potential benefits that can result from its advocacy efforts is in the area of federal government procurement. Given the unprecedented level of military procurement and engagement of other regional development agencies in these procurements, WD has begun to take steps to increase its involvement in procurement and IRB. Building relationships with prime contractors and lead federal departments, while thoroughly understanding the capabilities of western Canadian companies, will enhance the department's ability to play an effective role in supporting western Canadian firms to access new federal procurement opportunities.

2.3.3 Program Activity: Research and Analysis

Program Activity: Research and Analysis					
2009–10 Financial Resources ($ thousands)			**2009–10 Human Resources (FTEs)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
2,666	2,851	1,835	10	10	0

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Improved understanding of western Canadian economic issues, challenges, opportunities and priorities	Percentage of key informants with the opinion that WD research and analysis contributes to an improved understanding of western Canadian issues, challenges, opportunities and priorities	55%	Exceeded	92% (2008-2009)
	# of spokesperson and media references to WD economic research and analysis	20	Exceeded	46 (2009-2010)

Performance Analysis

WD's Research and Analysis activities in 2009-2010 were designed to achieve the objective of improving awareness and understanding of western Canadian issues and economic opportunities. Many of the studies undertaken by the department will be used to contribute to the department's own strategies to promote economic development and diversification in the West, and by other federal and provincial governments to inform their own policy and program development activities.

WD's research and analysis activities in 2009-2010 included:

- *Cleantech Report* – provided market penetration and growth potential information required to assist in the development of policies and programs to support the commercialization of the Clean Technologies sector in Canada;
- *Asia Pacific Gateway and Corridor Initiative* - included research, strategies, and activities undertaken for the development of value-added industries and opportunities related to Canada's role as an Asia Pacific Gateway such as a video series on Canada's relationship with Asia.

2.4 Canada's Economic Action Plan

Canada Economic Action Plan					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
0	207,400	186,314	0	65	-65

Funding for EAP initiatives was announced in Budget 2009, and received through Supplementary Estimates and the *Budget Implementation Act.*

Benefits to Canadians

EAP is the Government of Canada's plan to help ensure a quick recovery from the economic downturn by focusing on the creation of short-term employment to support communities and the sectors that contribute to their viability. The national plan includes the two-year $1B CAF and the two-year $500M RInC, which WD is responsible to deliver throughout Western Canada with timely, targeted and temporary project activities. CAF is a national economic stimulus initiative that supports projects that create jobs and maintain employment in and around communities that have experienced significant job losses and lack alternative employment opportunities. RInC provides temporary economic stimulus that will help reduce the impacts of the global recession while renewing, upgrading and expanding recreational infrastructure in Canadian communities.

During 2009-2010, WD approved funding of $292.2M for 286 CAF projects across the West over two years; this leveraged an additional $235.6M from other sources. Similar progress is being achieved for RInC: $152.8M has been approved by WD for 718 projects in Western Canada over two years, leveraging an additional $417.4M.

WD also delivered two other EAP initiatives announced in Budget 2009: BCF top-up and Canada Business Network (CBN). In 2009-2010, WD delivered BCF in partnership with Infrastructure Canada and the four western provincial governments. Budget 2009 also provided $15M annually for the renewal of the national CBN, of which WD will receive $3.98M annually to support this initiative in Western Canada.

Performance Analysis

As of March 31, 2010, almost 100 per cent of the total combined EAP federal funding allocation for CAF and RInC of approximately $440M had been committed towards 1,004 projects across the West. As of March 31, 2010, CAF and RInC recipients reported the following results:

	CAF	RInC	Total
WD funding expended	$142.5M	$43.2M	$185.7M
Number of projects funded	286	718	1,004
Person-months of employment[7]	17,506	8,062	25,568
Full-time equivalent (FTE)[8] jobs created or maintained	1,459	672	2,131
Businesses created, maintained or expanded	785	Not applicable	785
Infrastructure elements created or maintained	Not applicable	374	374
Number of projects completed[9]	7	82	89

During 2009-2010, it was important to ensure that economic adjustment efforts were carried out in an efficient, timely and effective fashion. For the most part, WD delivered CAF and RInC project funding directly. Other delivery mechanisms employed under CAF included agreements with other orders of government and third party delivery by non-government organizations. For example, approximately $104M in approved CAF funding was redistributed to the ultimate recipients through the Province of BC's Job Opportunities Program, the Northern Development Initiative Trust in northern BC, the Province of Alberta, the Forest Resource Improvement Association of Alberta for projects that enhance Alberta's forest resources through fire hazard reduction and the promotion of forest health, and through the Canadian Badlands Inc. Examples of RInC project success stories are listed at: http://www.wd-deo.gc.ca/eng/12241.asp.

WD collaborated with the other RDAs to ensure consistent delivery of programs and sharing of best practices, especially with respect to EAP initiatives. A shared performance measurement framework (PMF) for RInC was developed in 2009-2010 to assist with consistent performance measurement.

Lessons Learned

As with the MPB initiatives and soft wood lumber initiatives, WD demonstrated it has the capacity to effectively and rapidly deliver major short-term economic stimulus programs while maintaining core departmental activities. Experience gained through CAF and RInC will be beneficial to the department when new initiatives are launched in the future. Delivery of CAF and RInC also assisted WD in assessing how its management information and financial administration systems and tools may be further enhanced to help expedite program delivery, without compromising program implementation or due diligence requirements.

[7] A person-month of employment is one person working for one month, for 40 hours per week.
[8] A FTE job is a job for 12 months, for 40 hours per week. To convert FTEs to person-months of employment, multiply the number of FTEs by 12.
[9] Contributions to Recipients are made on a reimbursement basis. Therefore, number of projects completed and expenditures by year end were low as the programs were ramping up during Year One of EAP.

2.5 Program Activity: Internal Services

This program activity supports all of WD's strategic outcomes.

Program Activity: Internal Services					
2009–10 Financial Resources ($ thousands)			**2009–10 Human Resources (FTEs)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
18,762	21,873	25,815	135	189	-54

Commencing in the 2009-2010 Estimates cycle, the resources for the Internal Services program activity is displayed separately, rather than being distributed among the remaining program activities, as was the case in the previous Main Estimates. This has impacted the comparability of financial and human resources information by program activity between fiscal years. The increase in actual FTEs is tied to two events that occurred in the fiscal year:

1. increased governance and oversight, financial and human resource management, and technology services including changes to the departmental project management system for the delivery of EAP initiatives; and
2. a revised direct coding policy for operational resources that was implemented April 1, 2009.

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization (e.g. corporate planning, program management, internal audit). Internal Services include only those activities and resources that apply across WD and not to those provided specifically to another program activity.

SECTION III – SUPPLEMENTARY INFORMATION

Financial Highlights

The financial highlights presented within this Departmental Performance Report (DPR) are intended to serve as a general overview of Western Economic Diversification Canada's (WD) financial position and operations. WD's financial statements can be found on its website at: http://www.wd-deo.gc.ca/eng/12246.asp.

($ thousands)

Condensed Statement of Financial Position At end of Fiscal Year (March 31, 2010)	**% Change**	**2008–09**	**2009–10**
ASSETS			
Total Assets	58%	22,137	35,082
TOTAL	58%	**22,137**	**35,082**
LIABILITIES			
Total Liabilities	70%	114,683	195,522
EQUITY			
Total Equity	73%	(92,546)	(160,440)
TOTAL	58%	**22,137**	**35,082**

($ thousands)

Condensed Statement of Financial Operations At end of Fiscal Year (March 31, 2010)	**% Change**	**2008–09**	**2009–10**
EXPENSES			
Total Expenses	72%	242,539	416,178
REVENUES			
Total Revenues	144%	1,569	3,824
NET COST OF OPERATIONS	71%	**240,970**	**412,354**

Total Assets were $35.08M at the end of 2009-2010, an increase of $12.95M (58 per cent) over the previous year's total assets of $22.14M. Repayable contributions and prepayments (Loan and Investment Program) represent the largest portion of assets at $31.77M or 90 per cent of total assets.

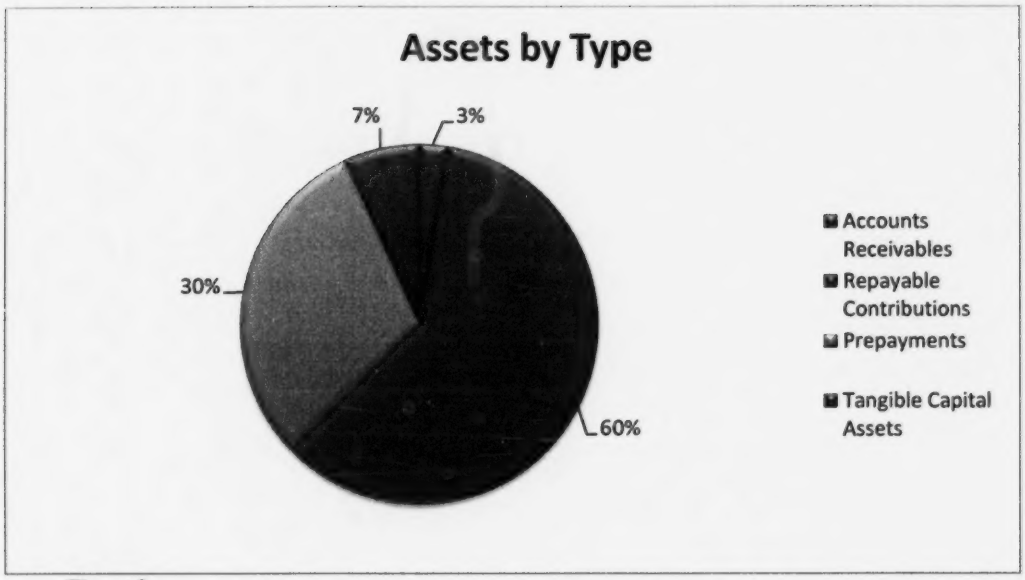


Figure 3

Total Liabilities were $195.52M at the end of 2009-2010, an increase of $80.84M (70 per cent) over the previous year's total liabilities of $114.68M. Transfer payments represent the largest portion of liabilities at $179.95M or 92 per cent of total liabilities.

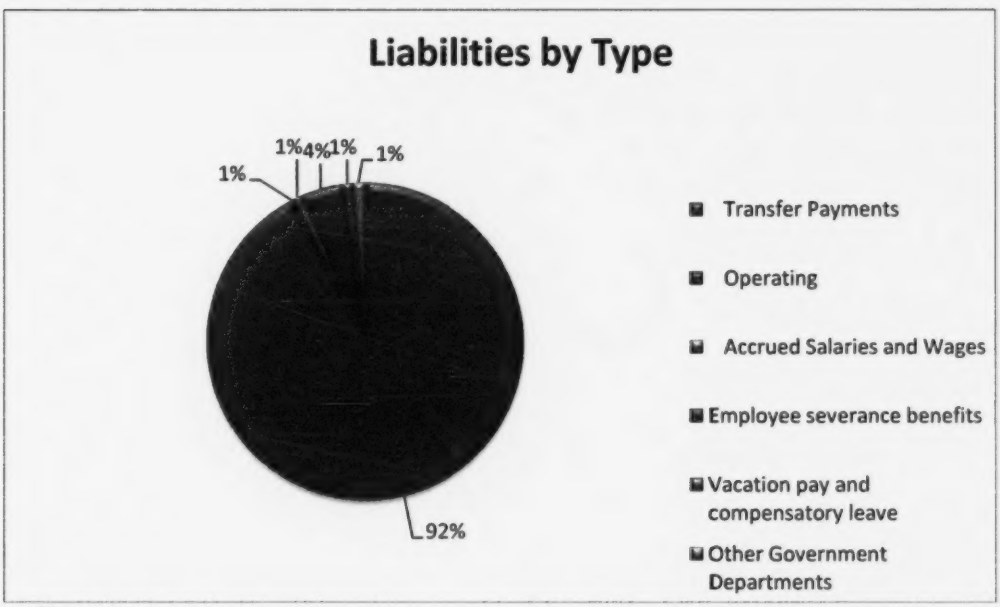


Figure 4

Total Expenses for WD were $416.18M in 2009-10. The majority of these funds, $241.01M or 58 per cent, were spent in contributing towards the Community Economic Development strategic outcome. Thirty-seven per cent of total expenses ($155.50M) contributed towards the Entrepreneurship and Innovation strategic outcome.

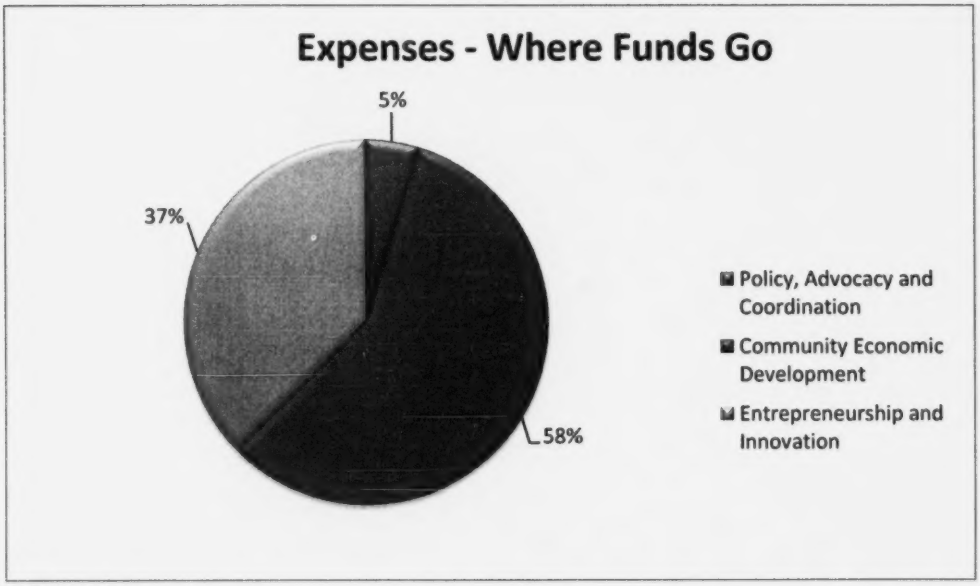


Figure 5

List of Supplementary Information Tables

All electronic supplementary information tables found in the 2009-2010 DPR can be found on the Treasury Board of Canada Secretariat's website at: http://www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp.

Sources of Respendable and Non-Respendable Revenue
User Fees/External Fees
Details on Transfer Payment Programs (TPPs)
Up-Front Multi-Year Funding (formerly *Foundations (Conditional Grants)*)
Horizontal Initiatives
Green Procurement
Response to Parliamentary Committees and External Audits
Internal Audits and Evaluations

Table 1: 2009-10 G&C Expenditures by Activity

2009-2010 (000s)	Collaboration and Coordination	Research and Analysis	Advocacy	Community Economic Planning, Development and Adjustment	Infrastructure	Business Development and Entrepreneurship	Innovation	TOTAL
Western Diversification Program								
Alberta / Sask Centenaries	-	-	-	41	-	-	-	41
Community Adjustment Fund*	-	-	-	133,437	-	-	-	133,437
Regina Development Agreement	-	-	-	1,747	-	-	-	1,747
Saskatoon Development Agreement	-	-	-	157	-	-	-	157
Vancouver Development Agreement	-	-	-	674	-	-	-	674
Economic Development initiative	-	-	-	145	-	-	-	145
Entrepreneurs with Disabilities Program	-	-	-	-	-	1,493	-	1,493
Francophone Economic Development Organizations	-	-	-	1,072	-	1,071	-	2,143
Francophone Economic Development	-	-	-	23	-	-	-	23
Mountain Pine Beetle - Airport Improvements Initiative	-	-	-	2,211	-	-	-	2,211
Mountain Pine Beetle	-	-	-	18,816	-	-	-	18,816
Conference Support Payments	-	-	-	20	-	88	-	108
Urban Aboriginal Strategy	-	-	-	-	-	-	277	277
Women's Enterprise Initiative	-	-	-	-	-	3,905	-	3,905
Intervac/VIDO	-	-	-	-	-	-	20,855	20,855
Western Diversification Program	173	196	-	10,701	-	9,554	43,625	64,249
Women's Enterprise Initiative Loan Funding	-	-	-	-	-	700	-	700
Western Economic Partnership Agreement	-	-	-	3,137	-	534	2,376	6,047
Western Economic Partnership Agreement Round III	-	-	-	400	-	4,114	13,967	18,481
Winnipeg Partnership Agreement	-	-	-	1,135	-	-	1,587	2,722
TOTAL Western Diversification Program	**173**	**196**	**-**	**173,716**	**-**	**21,459**	**82,687**	**278,231**
Loan Investment Program	-	-	-	-	-	2,446	-	2,446
Community Futures – Operating	-	-	-	13,912	-	13,698	-	27,610
Community Futures – Capitalization	-	-	-	-	-	3,500	-	3,500
Community Futures - Networking Organizations	-	-	-	242	-	602	-	844
Total Community Futures Program	-	-	-	14,154	-	17,800	-	31,954
Recreational Infrastructure Canada Program*	-	-	-	-	43,228	-	-	43,228
Infrastructure Canada Program	-	-	-	-	3,725	-	-	3,725
TOTAL G&C	**173**	**196**	**-**	**187,870**	**46,953**	**41,705**	**82,687**	**359,584**

NOTE: Totals may not add due to rounding.

*These two programs were components of Canada's Economic Action Plan.

Table 2a: Cumulative Impact of G&C Projects by Sub-Activity[10]

Business Development and Entrepreneurship				
Sub-Activity	**Goal**	**Performance Indicator**	**Number of Projects Reporting**	**Outcome Reported**
1.1.1 Improved Business Productivity	Increase in SME competitiveness and productivity	% of client satisfaction with business services provided through funded projects	27	72.80%
		Number of jobs created or maintained	17	504
		Increase in sales	1	$50,000
		Number of businesses created/maintained/expanded	32	2977
1.1.2 Market/Trade Development	Increased participation in international markets	Number of industry association partnerships created	6	44
		Number of companies participating in export and market development initiatives	22	2951
		Number of projects promoting participation in major international events	7	23
		Dollars in trade financing	1	0
		Number of export-ready companies	3	707
1.1.3 Industry Collaboration	Increase in number of successful partnerships and strategic alliances	Participant satisfaction	2	80%
		Number of partnerships/strategic alliances	16	118
1.1.4 Foreign Direct Investment	Increase in foreign investment in Western Canada	Dollars in direct investment facilitated by WD	1	$1,000,000
1.1.5 Access To Capital	Increased investment to targeted western Canadian firms	Capital funds provided	1	$250,000
		Dollars leveraged	4	$3,375,221
		Number of businesses created/maintained/expanded	5	43

Innovation				
Sub-Activity	**Goal**	**Performance Indicator**	**Number of Projects Reporting**	**Outcome Reported**
1.2.1 Technology Adoption and Commercialization	Increase in the number of technologies developed in research institutions with commercialization potential and increase in the number of technologies adopted by existing firms	Number of patents files/issued	7	36
		Number of technology demonstrations	17	222
		Number of technologies adopted	9	21
		Number of licenses executed	4	10
		Number of spin-off companies formed	5	19
		Number of prototypes developed	13	59
		Number of technologies to market	9	53
		Venture capital $ invested	3	$11 ,000,000

[10] Includes all outcomes reported from April 1, 2005 to March 31, 2010, through Project Gateway. Excludes Unexpected Benefits, outcomes reported in draft stage, as well as outcomes of core funding of Western Canada Business Service Network (WCBSN) members.

Innovation				
Sub-Activity	**Goal**	**Performance Indicator**	**Number of Projects Reporting**	**Outcome Reported**
1.2.2 Technology Linkages	Increased connections and synergies among innovation system members	Number partnerships/networks formed	14	138
		Number of attendees at funded conferences	18	60,660
		Number of new or incremental members of innovation associations	10	159
1.2.3 Technology Research and Development	Applied R&D leading to technologies with commercialization potential	Number of products or processes that are identified for further R&D	7	80
		Number of publications in recognized science journals	4	48
		Number of skilled personnel	5	112
		Number of demonstrations of viability of technology	8	27
		Number of patents filed/issued	3	5
1.2.4 Community Innovation	Increased technological capacity in a community	Number of community planning studies that focus on building innovation capacity	6	5
		Number of individuals with enhanced skills	9	3116
		Number of people trained	1	210
		Number of technology demonstrations	1	1
		Number of training courses	1	27
		Dollars invested in knowledge infrastructure or technology communication facilities	1	$447,400
		Number of skilled personnel engage in R&D through funded projects	8	3078
1.2.5 Technology Skills Development	Increase in training, education, and skills building of highly qualified people	Number of people trained through training events	5	768
		Number of studies	3	11
		Number of individuals with enhanced skills	1	132
1.2.6 Knowledge Infrastructure	Increase in physical assets for R&D or training	Number of square meters dedicated to R&D and skills training	8	6655
		Value of R&D undertaken for a 3-year period following completion of the new facility or equipment set-up	7	$8,181,898
		Number of physical assets (buildings and equipment)	31	96

Community Economic Planning Development and Adjustment				
Sub-Activity	**Goal**	**Performance Indicator**	**Number of Projects**	**Outcome Reported**
2.1.1 Community Planning	Enhanced community planning	Number of activities providing planning leadership and expertise	25	145
		Number of instances facilitating community involvement	18	281
		Number of partnerships developed/maintained	15	207
2.1.2 Community Development	Increased viability and diversification of local economies	Number of instances of increased capacity in community organizations	49	1214
		Number of enhanced community services or facilities	71	252
		Number of instances of increased community stability	87	141
		Number of people trained	50	3337
		Number of jobs created or maintained	24	821
		Number of activities producing planning leadership and expertise	1	1
		Number of public private partnerships	2	5
		Number of enhanced community services or facilities	71	252
		Number of participants trained	3	143
		Number of training courses developed	1	9
		Client satisfaction	1	96%
		Number of businesses created/maintain/expanded	17	686
2.1.3 Community Economic Adjustment	Successful community adjustment to mitigate economic crises	Number of public private partnerships	12	24
		Number of person months of employment created or maintained	201	9136
		Number of training courses developed	3	5
		Number of businesses created/maintained/expanded	21	532
		Number of participants trained	13	345

Policy, Advocacy and Coordination				
Program Activity	**Goal**	**Performance Indicator**	**Number of Projects Reporting**	**Outcome Reported**
Collaboration and Coordination	Better coordinated economic development activities and programs in the West	Improvement in geographic or target group program coverage	1	0
		Number of coordinated services offered	1	1

Policy, Advocacy and Coordination				
Program Activity	Goal	Performance Indicator	Number of Projects Reporting	Outcome Reported
Advocacy	An improved understanding and awareness of western issues by federal policy makers and increased access to and participation in federal programs by the region	Number of western priorities accounted for in federal trade and investment policies	2	6
Research and Analysis	An enhanced dialogue around and understanding of western issues, challenges, opportunities and priorities	Number of opinion editorials based on WD sponsored research	4	59
		Number of program or policy decisions influenced by WD research	5	4
		Number of spokesperson and media references to reports	7	112

Table 2b: Cumulative Impact of Infrastructure Canada Program by Sub-Activity[11]

Infrastructure Canada Program (cumulative outcomes)			
Sub-Activity	Goal	Performance Indicator	Outcome Reported
2.2.1 Green Infrastructure	Improved green infrastructure	Increase in number of households with improved potable water quality	630,600
		Increase in number of households with improved wastewater treatment (includes new connections to wastewater systems)	291,438
		Increased composting and recycling of solid waste (number of metric tonnes per annum)	41,756
		Improved energy efficiency of municipal buildings resulting in a reduction in electricity used (kWh per cubic meter)	4,325,876
		Improved energy efficiency of municipal buildings resulting in a reduction in heating fuel used (BTU per cubic meter)	1,879,312
2.2.2 Local Transportation Infrastructure	Better local transportation	Number of road and local transportation infrastructure improvements	277
		Number of communities benefiting from safer roads and new or improved public transportation (sum of unique provincial electoral districts impacted)[12]	338
2.2.3 Other Infrastructure Priorities	Improved infrastructure such as recreation facilities, tourism, and rural telecommunications	Number of visits to cultural and recreation facilities improved through funded projects[13]	8,442,492
		Number of new tourism infrastructure	14
		Number of communities benefiting from cultural, recreation, and tourism facilities (sum of unique provincial electoral districts impacted)[14]	329
		Increase in number of affordable house units	270
		Increase in number of high-speed Internet access for local public institutions	174

[11] Includes cumulative outcomes from October 2000 to March 31, 2010.
[12] The methodology used to derive number of communities changed from DPR 2008-2009; therefore, the cumulative value is in fact lower as of March 31, 2010.
[13] Number of visits reported in DPR 2008-2009 was incremental only, therefore, the cumulative value as of March 31, 2010 appears to be much greater.
[14] The methodology used to derive number of communities changed from DPR 2008-2009.

Other Items of Interest

In 2009-2010, WD continued to work with other federal departments to deliver the Economic Development Initiative (EDI), as part of the federal Road Map for Canada's Linguistic Duality 2008-2013: Acting for the Future. One EDI project supported in 2009-2010 was Place de la Francophonie. For more information about EDI, and WD's other efforts related to the *Official Languages Act*, please see:Status Reports on the Implementation of Section 41 of the *Official Languages Act*

List of Acronyms

ASC Initiative	Alberta Saskatchewan Centenaries Initiative
BC	British Columbia
BCF	Building Canada Fund
BERD	Business expenditure on research and development
CAF	Community Adjustment Fund
CB	Canada Business
CBN	Canada Business Network
CCS	carbon capture and storage
CEDI	Community Economic Development Initiative
CF Program	Community Futures Program
CIC	Composites Innovation Centre
CSIF	Canada Strategic Infrastructure Fund
DPR	Departmental Performance Report
EAP	Canada's Economic Action Plan
EDI	Economic Development Initiative
FEDO	Francophone Economic Development Organizations
G&C	grants and contributions
GDP	Gross Domestic Product
GERD	Gross Domestic Expenditures on Research and Development
HR	human resources
ICP	Infrastructure Canada Program
ICT	Information and Communications Technologies
IPAC-CO2	International Performance Assessment Centre for Geologic Storage of Carbon Dioxide
IRBs	Industrial and Regional Benefits

LI Program	Loan and Investment Program
MAF	Management Accountability Framework
MPB	Mountain Pine Beetle
MRIF	Municipal Rural Infrastructure Fund
NAPP	North American Platform Program
OECD	Organization for Economic Cooperation and Development
OGD	Other Government Department
ORIC	Okanagan Research and Innovation Centre
PA	Program Activity
PAA	Program Activity Architecture
PMF	Performance Measurement Framework
R&D	research and development
RDA	Regional Development Agencies
RInC	Recreational Infrastructure Canada program
RPP	Report on Plans and Priorities
S&T	science and technology
SIMSI	Shared Information Management System for Infrastructure
UDA	Urban Development Agreements
US	United States
WCBSN	Western Canada Business Service Network
WD	Western Economic Diversification Canada
WDP	Western Diversification Program
WEI	Women Enterprise Initiative
WEPA	Western Economic Partnership Agreements